

United States Senate

WASHINGTON, DC 20510

The Honorable Willie Phillips
Chairman
Federal Energy Regulatory Commission
888 First Street, N.E. 888 First Street, N.E.
Washington, D.C. 20426

The Honorable Mark Christie
Commissioner
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

The Honorable Alison Clements
Commissioner
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

The Honorable David Rosner
Commissioner
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

June 26, 2024

Dear Chairman Phillips, Commissioner Christie, Commissioner Clements and Commissioner Rosner,

I write urging you to deny Venture Global LNG's application for a certificate of public convenience and necessity to construct and operate the Calcasieu Pass 2 (CP2) Liquefied Natural Gas (LNG) export terminal because it goes against the public interest. CP2 will raise energy costs on American households and manufacturers¹, decimate local industries², harm communities that are already overburdened with pollution and worsen the climate crisis.

Since 2018, U.S. LNG exports have more than tripled and enough new projects have already been authorized to almost triple today's volumes.³ LNG exports tether U.S. gas prices to the global market, creating price volatility and rising prices on American households. The Commission itself has found that "continued growth in net exports, including from including from liquefied [sic] natural gas (LNG) export facilities, LNG export facilities, will place additional pressure on natural gas prices."⁴ The Energy Information Administration found that "higher LNG exports create a tighter domestic natural gas market... increasing domestic natural gas prices."⁵ Analysis from Energy Innovation has found that "approving pending LNG export

¹ https://www.ieca-us.org/wp-content/uploads/04.17.24_LNG-Exports-Do-Impact-U.S.-Prices.pdf

² <https://www.desmog.com/2024/03/02/cameron-louisiana-lng-calcasieu-pass-fishermen/>

³ <https://www.washingtonpost.com/opinions/2024/02/04/understanding-liquefied-natural-gas-exports/>

⁴ 2022-2023 Winter Assessment, Federal Energy Regulatory Commission, <https://www.ferc.gov/media/report-2022-2023-winter-assessment>

⁵ AEO2023 Issues in Focus: Effects of Liquefied Natural Gas Exports on the U.S. Natural Gas Market May 2023, Energy Information Administration https://www.eia.gov/outlooks/aeo/IIF_LNG/pdf/LNG_Issue_in_Focus.pdf

terminals would increase expenditures on natural gas by U.S. households, businesses, and industry by \$11-18 billion per year, with the largest burdens falling on low-income households.”⁶

The Natural Gas Act (NGA) was enacted “to protect consumers against exploitation at the hands of natural gas companies.”⁷ To do that the NGA provides the Commission authority to deny an application for an LNG export facility if the Commission “finds that the proposed exportation or importation will not be consistent with the public interest.”⁸ The Supreme Court has held that the “the principal purpose of those Acts was to encourage the orderly development of plentiful supplies of electricity and natural gas at reasonable prices.”⁹ ¹⁰ There is no doubt that increasing LNG exports undermines the purpose found by the Supreme Court. Increasing prices on American households to ship LNG to China¹¹ and other countries is clearly not in the public interest.

The Supreme Court also found that the National Gas Act provides “subsidiary purposes” and explicitly mentions “conservation and environmental questions” as two.¹² The Commission recognizes this in its strategic plan when it identifies overseeing “environmental matters related to natural gas and hydrogen electricity projects and other matters” as part of what it does.¹³

CP2 will export 3.96 billion cubic feet of gas per day and it is being proposed in a community that is already suffering from the impacts of facilities. In just 18 months of operation, the neighboring Calcasieu Pass facility, operated by Venture Global LNG, exposed the surrounding community to dangerous air pollution well in excess of permit limits in over 130 incidents.¹⁴ Some of those incidents lasted more than a week.¹⁵ Local fishermen have reported a dramatic impact on their livelihoods.¹⁶ CP2 will have lifecycle annual greenhouse gas emissions equivalent to 46 coal-fired power plants.¹⁷ CP2 is incompatible with environmental protection or a livable planet and is not in the public interest.

⁶ https://energyinnovation.org/wp-content/uploads/2024/02/Consumer-Cost-Impact-Of-Completing-Pending-LNG-Export-Projects_2.2.24-1.pdf

⁷ Sunray Mid-Continent Oil Co. v. Federal Power Com. 364 US 137

⁸ Natural Gas Act, 15 USC § 717b

⁹ NAACP v. FPC, 425 U.S. 662 (1976)

¹⁰ While I disagree with the Supreme Court reading Federal Power Act’s purpose to “assur[e] an abundant supply of electric energy throughout the United States with the greatest possible economy and with regard to the proper utilization and conservation of natural resources” into the National Gas Act and believe that the Commission should use a more holistic public interest determination for all gas infrastructure, if the Commission is going to use this purpose when permitting interstate pipelines it should use it in a similar fashion when evaluating LNG export terminals.

¹¹ https://foe.org/wp-content/uploads/2024/01/Liquified_Cash_Report_2024_final.pdf

¹² NAACP v. FPC, 425 U.S. 662 (1976).

¹³ FERC FY22-26 Strategic Plan, <https://ferc.gov/media/ferc-fy22-26-strategic-plan>

¹⁴ <https://www.wvno.org/coastal-desk/2023-07-25/amid-expansion-plans-venture-global-lng-plant-faces-compliance-order-after-100-violations>


¹⁵ <https://edms.deq.louisiana.gov/app/doc/view?doc=13882440>

¹⁶ <https://www.desmog.com/2024/03/02/cameron-louisiana-lng-calcasieu-pass-fishermen/>

¹⁷ <https://www.sierraclub.org/press-releases/2024/06/ferc-set-issue-decision-cp2-lng-june-meeting>

The Commission's decision on CP2 will have an important impact on US households and US climate commitments. I urge you to put the needs of public interest above the profits of oil and gas companies and deny this harmful project.

Sincerely,


Jeffrey A. Merkley
United States Senator